

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**-against-**

**CR INTRINSIC INVESTORS, LLC,  
MATHEW MARTOMA,  
and  
DR. SIDNEY GILMAN,**

**Defendants, and**

**CR INTRINSIC INVESTMENTS, LLC,  
S.A.C. CAPITAL ADVISORS, LLC,  
S.A.C. CAPITAL ASSOCIATES, LLC,  
S.A.C. INTERNATIONAL EQUITIES, LLC,  
and  
S.A.C. SELECT FUND, LLC,**

**Relief Defendants.**

**12 Civ. 8466 (VM)**

USDC SDNY DOCUMENT ELECTRONICALLY FILED DOC #: DATE FILED: 11/20/19
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**ORDER TO DISBURSE FUNDS  
PAY TAX LIABILITIES**

The Court, having reviewed the Securities and Exchange Commission's Motion to Disburse Funds to Pay Tax Liabilities, and the supporting Declaration of Jude P. Damasco In Support of Request to Make Tax Payment (the "Declaration"), and for good cause shown,

**IT IS HEREBY ORDERED:**

1. The Clerk of the Court shall issue a check from the Court's account maintained under the case name designation "**SEC v. CR Intrinsic Investors, LLC, et al.**" for the amount of **\$255,000.00**, payable to "**Miller Kaplan Arase LLP SEC Trust Account,**" for the payment of the federal estimated tax liabilities for the fourth quarter of 2019, as provided in the Declaration.

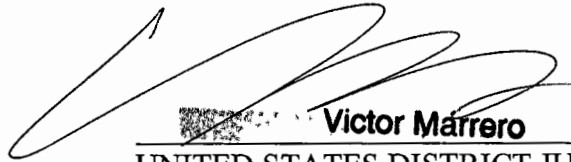
**The check shall contain the notation: SEC v. CR Intrinsic Investors, LLC, et al., and the Employer Identification Number XX-XXX6575.**

2. The Clerk shall send the check by U.S. mail to:

Miller Kaplan Arase LLP  
Two Embarcadero Center  
Suite 2280  
San Francisco, CA 94111

The Commission's counsel shall provide the Clerk of the Court with the necessary shipping information and the SEC's billing number;

Dated: 20 November 2019

  
**Victor Marrero**  
UNITED STATES DISTRICT JUDGE



**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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**Relief Defendants.**

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**PLAINTIFF'S NOTICE OF MOTION AND MOTION TO  
DISBURSE FUNDS TO PAY TAX LIABILITIES**

**NOTICE**

**PLEASE TAKE NOTICE**, that based upon the accompanying Motion, and Proposed Order, and all other papers and proceedings herein, Plaintiff United States Securities and Exchange Commission will move this Court, at a date and time to be determined by the Court, before the Honorable Victor Marrero, at the United States Courthouse for the Southern District of New York, 500 Pearl Street, New York, New York 10007, for an Order to Disburse Funds to Pay Tax Liabilities.

**MOTION**

Plaintiff Securities and Exchange Commission (“SEC” or “Commission”) moves to disburse funds on deposit with the Court Investment Registry System (“CRIS”) to pay certain tax liabilities for the fourth quarter of 2019.

**MEMORANDUM**

A. Procedural Background

By orders dated June 18, 2014, the Court entered Final Judgments as to defendant CR Intrinsic Investors, LLC (“CR Intrinsic”)<sup>1</sup> (“Defendant”) and as to relief defendants CR Intrinsic Investments, LLC, S.A.C. Capital Advisors, LLC, S.A.C. Capital Associates, LLC, S.A.C. International Equities, LLC, and S.A.C. Select Fund, LLC (collectively, the “Relief Defendants”) pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. Without admitting or denying the allegations of the Complaint, the Defendant and Relief Defendants consented to pay \$274,972,541 in disgorgement and \$51,802,381.22 in prejudgment interest on a joint and several basis to settle the Commission’s charges. CR Intrinsic also agreed to pay a onetime civil penalty of \$274,972,541.

On or about August 4, 2014, \$601,832,697.04 was paid to the Clerk of the Court by the Defendant and Relief Defendants and deposited into the CRIS account on August 6, 2014 (“the Distribution Fund”). The Distribution Fund constitutes as a Qualified Settlement Fund (“QSF”) under section 468B(g) of the Internal Revenue Code (“IRC”), 26 U.S.C. § 468B(g), and related

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<sup>1</sup> On November 21, 2012, defendant Sidney Gilman consented to the entry of a Final Judgment enjoining him from violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Gilman agreed to disgorgement of \$186,781 and prejudgment interest of \$48,087. Pursuant to the Final Judgment, the payments from Gilman were sent to the United States Treasury.

regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5. On January 26, 2015, the Court ordered the establishment of a fair fund (“Fair Fund” or “Fund”) for investor victims and appointed Damasco & Associates, LLP<sup>2</sup> (“Damasco”) as tax administrator.

**B. Payment of Tax Administrator’s Fees and Expenses**

Pursuant to the January 26, 2015 Order appointing the Tax Administrator to handle the tax obligations of the Fund, the Tax Administrator is required to pay taxes in a manner consistent with treatment of the Fair Fund as a QSF. The Tax Administrator has determined that the Fund owes \$255,000.00 in federal tax liabilities for the fourth quarter of 2019. *See* Declaration of Jude P. Damasco in Support of Request to Make Tax Payment attached as Exhibit A (the “Declaration”), filed separately. The Declaration has been reviewed by the undersigned Commission counsel who has no objections.

**WHEREFORE**, for all the foregoing reasons, the Commission respectfully requests that this Court enter the proposed Order and grant other such relief as it deems just and proper.

Dated: November 18, 2019

Respectfully submitted,

/s/ Susan S. Pecaro  
Susan S. Pecaro  
Attorney for Plaintiff  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-5876  
Telephone: (202) 551-4489 (Pecaro)  
Fax: (202) 722-9363  
Email: [pecaros@sec.gov](mailto:pecaros@sec.gov)

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<sup>2</sup> As of October 1, 2016, Damasco and Associates, LLP, became a part of Miller Kaplan Arase LLP. The firm’s engagement with the SEC and its ability to carry out its duties as appointed Tax Administrator for this case has not changed.

**CERTIFICATE OF SERVICE**

I hereby certify that on **November 18, 2019**, I caused the foregoing document to be electronically filed with the clerk of the court for the U.S. District Court, Southern District of New York, using the electronic case filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to all attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

Respectfully submitted,

/s/ Susan S. Pecaro

Susan S. Pecaro

Attorney for Plaintiff

Securities & Exchange  
Commission

100 F Street NE

Washington, DC 20549-5876

Telephone: (202) 551-4489 (Pecaro)

Fax: (202) 722-9363

Email: [pecaros@sec.gov](mailto:pecaros@sec.gov)

# EXHIBIT

## A



UNITED STATES DISTRICT COURT  
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SECURITIES AND EXCHANGE COMMISSION,

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12 Civ. 8466 (VM)

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S.A.C. SELECT FUND, LLC,

Relief Defendants.

**DECLARATION OF JUDE P. DAMASCO IN SUPPORT OF  
REQUEST TO MAKE TAX PAYMENT**

I, Jude P. Damasco, am over eighteen years of age and state the following facts which I know of my own personal knowledge.

1. I am a partner of Miller Kaplan Arase LLP ("MKA") which acquired Damasco & Associates LLP ("Damasco"). MKA's Northern California office is located at Two Embarcadero Center, Suite 2280, San Francisco, CA 94111. I am a certified public accountant.
2. Damasco, now MKA, was appointed as Tax Administrator for the SEC v CR Intrinsic Fair Fund ("Fund"), Case No. 1:12-cv-08466-VM, in the Order to Establish a

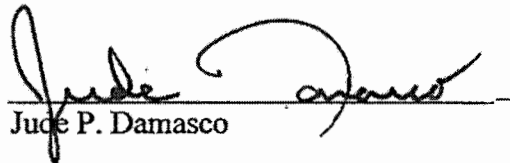
Fair Fund for Investor Victims and Appoint a Tax Administrator filed on January 26, 2015.

3. As Tax Administrator, MKA has determined the Fund owes \$255,000 in federal estimated tax liabilities for the fourth quarter of 2019. The tax payment is due December 16, 2019.

4. A check in the amount of \$255,000 should be made payable to "Miller Kaplan Arase LLP SEC Trust Account" and sent to Miller Kaplan Arase LLP, Two Embarcadero Center, Suite 2280, San Francisco, CA 94111. The check should be received in our office by December 5, 2019 or as soon thereafter as possible.

5. The check will be deposited into a trust account from which the tax payment will be made. Therefore, the Employer Identification Number that should be written on the check is XX-XXX6575 because it is for tax payment on behalf of the Fund.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct. Executed on November 12, 2019 in San Francisco, California.

  
Jude P. Damasco